



Haiti Reconstruction Fund

Financial Report

Prepared by the Trustee

As of September 30, 2020



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Introduction

The Haiti Reconstruction Fund (HRF) is a partnership between the international community and the Government of Haiti to help finance post-earthquake reconstruction. The Latin America and Caribbean Region of the World Bank acts as the HRF Secretariat; and the Development Finance Vice-Presidency acts as the Trustee for a Financial Intermediary Fund (FIF) in support of the HRF. The HRF mobilizes, coordinates and allocates contributions from bilateral and other donors to finance high-priority projects, programs and budget support. Proponents partner with the Inter-American Development Bank (IDB), the United Nations Development Programme (UNDP)¹ or the World Bank (WB and IFC) to ensure that international standards for quality, good governance and financial management are met.

The Trustee provides administrative and financial services to the HRF Steering Committee and donors, by receiving contributions from donors to the FIF, investing liquid assets pending cash transfer, and transferring funds to the HRF Partner Entities. Working closely with the HRF Secretariat, the Trustee also records funding decisions made by the Steering Committee.

The Trustee periodically provides to the Donors and the Steering Committee reports on the financial status of the Trust Fund.² The information contained in this report is prepared based on financial information as of September 30, 2020.

Following the extension of the Trust Fund that was approved by all donors on December 24, 2017, the Trust Fund will remain open until June 30, 2021 for monitoring and reporting of the HRF funded projects under implementation. The Trust Fund will accept the return of unused project funds and the posting/return of earned investment income from Partner Entities. At the request of the HRF Steering Committee, the Trustee has discontinued commitments and disbursements from the Trust Fund after December 31, 2017.

¹ The UNDP, through its Multi-donor Trust Fund Office, acts as Administrative Agent of the Participating UN Organizations in the United Nations Development Group Haiti Reconstruction Fund.

² The Trustee's financial status reports are publicly available at: www.worldbank.org/fiftrustee



HRF Trust Fund Financial Summary as of September 30, 2020

Pledges and Contributions:

The Trust Fund is closed for new commitments and disbursements since December 31, 2017.

As of September 30, 2020, 19 donors had pledged and signed Administration Agreements or arrangements amounting to USD eq. 401.40 million³. The total agreement amount from all contributors for the fund will be USD eq. 401.40 million. The Trustee has received USD 401.40 million in cash to date from these donors.

Investment Income:

As of September 30, 2020, the HRF Trust Fund has earned investment income of approximately USD 2.50 million on the undisbursed balances in the Trust Fund. The HRF Trust Fund liquid portfolio returned 0.68%⁴ in 2020. The HRF Trust Fund balance is allocated to a highly liquid short-term investment portfolio.

In addition, the investment income received from the partner entities UNDP and IDB is USD 2.38 million.

Funding Approvals and Cash Transfers:

The cumulative funding decisions made by the HRF Steering Committee through September 30, 2020 totaled USD 402.76 million. Of the total amount approved, USD 384.43 million represents project⁵ approvals, USD 12.67 million is for the partner entity fees and USD 5.66 million is for the administrative budget. The Trustee has committed and transferred the project and the partner entity fees amount to the respective Partner Entities based on the approval of their complete project documents, and administrative budget to the Trustee and the Secretariat.

Funds Held in Trust:

Funds Held in Trust⁶ reflect contributions paid-in from donors, investment income and cash transfers. Funds Held in Trust as of September 30, 2020 amounted to USD 3.51 million.

Partner Entity Disbursements⁷:

As of September 30, 2020, the UNDP (in its capacity as the Administrative Agent ("AA") of the Participating UN Organizations in the United Nations Development Group Haiti Reconstruction Fund ("UNDG HRF")) has been allocated USD 167.58 million, of which USD 145.99 million has been disbursed; the World Bank has been allocated USD 132.20 million, of which USD 132.20 million has been disbursed; and the IDB has been allocated USD 97.32 million, of which USD 85.84 million has been disbursed.

³ The total contribution amount was USDeq. 411.40 million. Of which, the contribution receivable of USD 10 million from Spain is not expected to be received. Hence the total agreement amount will be considered equal to the receipt amount of USD 401.40 million.

⁴ Non-annualized rate of return up to September 30, 2020.

⁵ "Project" refers to all types of HRF funding, including project budget support.

⁶ Funds Held in Trust represents balance of cash, investments and unencashed promissory notes (if any) as of the reporting date.

⁷ The allocation and disbursed amounts are net of refunds from the executing agency based on the partner entity's information as of September 30, 2020.



1. HRF Trust Fund Summary – Inception through September 30, 2020

In USD millions

| | Total | % of Total |
|---|---------------|---------------|
| <u>Donor Pledges and Contributions</u> | | |
| Contributions | 401.40 | 100.0% |
| Total Pledges and Contributions | 401.40 | 100.0% |
| <u>Cumulative Resources</u> | | |
| <u>Resources received</u> | | |
| Cash Receipts | 401.40 | 98.8% |
| Investment Income earned a/ | 4.89 | 1.2% |
| Refund to Contributors | (0.01) | 0.0% |
| Total Resources Received (A) | 406.27 | 100.0% |
| <u>Cumulative Funding Decisions</u> | | |
| Projects | 384.43 | 95.5% |
| Fees | 12.67 | 3.1% |
| Administrative Budgets | 5.66 | 1.4% |
| Total Funding Decisions Net of Cancellations and Refunds (B) | 402.76 | 100.0% |
| Total Funds Held in Trust as of Sep 30, 2020 (A)-(B) | 3.51 | |

a/ includes USD 2.38 million investment income received from UNDP and IDB

NB: sub-totals may not add up accurately due to rounding errors



2. Contributions

| Donor | Effective Contribution | | | Receipts | |
|-------------------------------|--------------------------|----------------------|---------------|------------------|---------------|
| | Contribution Currency | Agreed | | Received | |
| | | Amount a/ USD eq. | USD eq. | Amount b/ USD | USD |
| Australia | AUD | 10.00 | 8.56 | 10.00 | 8.56 |
| Brazil | USD | 55.00 | 55.00 | 55.00 | 55.00 |
| Canada | CAD | 46.30 | 45.50 | 46.30 | 45.50 |
| Colombia | USD | 4.00 | 4.00 | 4.00 | 4.00 |
| Cyprus | USD | 0.10 | 0.10 | 0.10 | 0.10 |
| Estonia | USD | 0.05 | 0.05 | 0.05 | 0.05 |
| Finland | EUR | 1.40 | 1.84 | 1.40 | 1.84 |
| France | EUR | 24.82 | 32.28 | 24.82 | 32.28 |
| Ireland | EUR | 1.00 | 1.33 | 1.00 | 1.33 |
| Japan | USD | 30.00 | 30.00 | 30.00 | 30.00 |
| Latvia | LVL | 0.03 | 0.06 | 0.03 | 0.06 |
| Nigeria | USD | 5.00 | 5.00 | 5.00 | 5.00 |
| Norway | NOK | 274.00 | 44.27 | 274.00 | 44.27 |
| Oman | USD | 5.00 | 5.00 | 5.00 | 5.00 |
| State and Peace Building Fund | USD | 2.00 | 2.00 | 2.00 | 2.00 |
| Spain | USD | 20.00 | 20.00 c/ | 20.00 | 20.00 |
| Sweden | SEK | 25.00 | 3.75 | 25.00 | 3.75 |
| Thailand | USD | 2.30 | 2.30 | 2.30 | 2.30 |
| United States | USD | 140.35 | 140.35 | 140.35 | 140.35 |
| Total USD equivalent | | | 401.40 | | 401.40 |

a/ per countersigned Administration Agreements or arrangements in currencies
b/ in currencies of contribution
c/ The fund is closed for future commitments and disbursements on December 31, 2017. The agreed contribution amount from Spain is USD 30 million, however the contribution received is USD 20 million and hence the agreement amount is considered as USD 20 million for reporting purposes.

NB: sub-totals may not add up accurately due to rounding errors

The above table shows the total contributions to the HRF, defined as those for which Administration Agreements or arrangements have been signed by donors and the Trustee.



3. Asset Mix and Investment Income

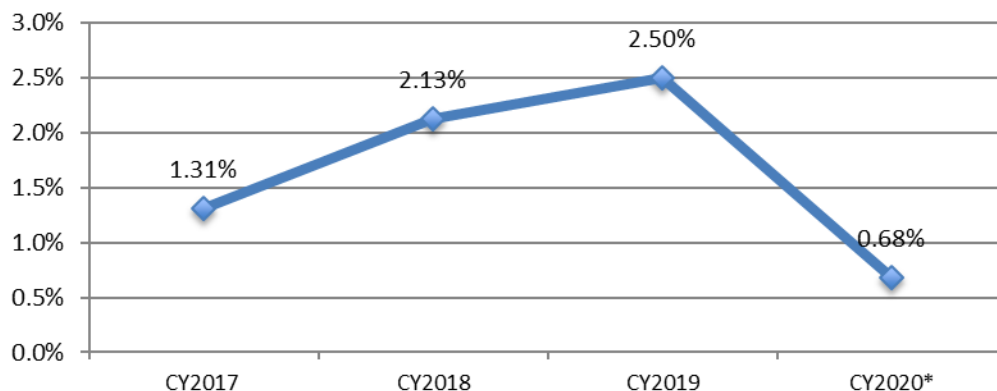
ASSET MIX

Funds held in trust by the World Bank (as the Trustee) are maintained in a commingled investment portfolio (the “Pool”) for all trust funds administered by the World Bank. The assets in the Pool are managed in accordance with the investment strategy established for all trust funds administered by the World Bank. The Haiti Reconstruction Trust Fund funds are invested in cash portfolio of the World Bank’s Trust Fund investment pool. This portfolio comprises bank deposits and investments in money market instruments with an investment horizon of less than 3 months. Typically, funds invested in a cash portfolio represent working capital and funds that are expected to be disbursed in less than a year.

On July 1, 2015, the World Bank formally adopted the Conditional Value-at-Risk (CVaR) measure as the risk constraint in the management of trust funds. Funds are managed such that the expected maximum loss, as measured by the CVaR, at the portfolio’s investment horizon, is not to exceed 1% with 99% confidence.

INVESTMENT RETURNS

Funds Held in Trust are invested in a cash portfolio of the World Bank’s Trust Fund investment pool. This portfolio comprises bank deposits and investments in money market instruments with an investment horizon of less than 3 months. Typically, funds invested in a cash portfolio represent working capital and funds that are expected to be disbursed in less than a year. As of September 30, 2020, the HRF Trust Fund has earned investment income of approximately USD 2.5 million on the undisbursed balance of the Trust Fund. The HRF Trust Fund liquid portfolio has returned 0.68% through the calendar year to September 30, 2020. In addition, the investment income of USD 2.38 million received from the partner entities UNDP and IDB.



* non-annualized



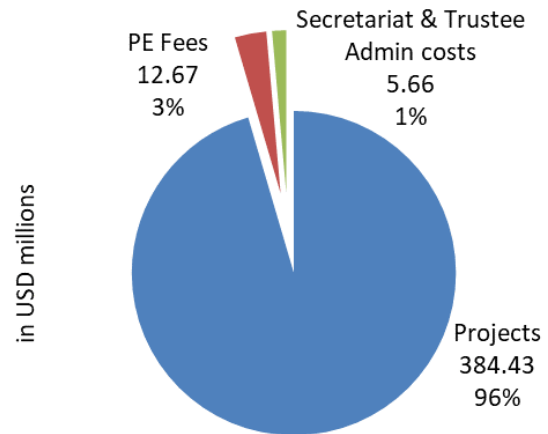
4. Cumulative Funding Decisions

SNAPSHOT OF FUNDING DECISIONS:

The cumulative funding decisions made by the HRF Steering Committee up to September 30, 2020 amount to USD 402.76 million (see Annex I).

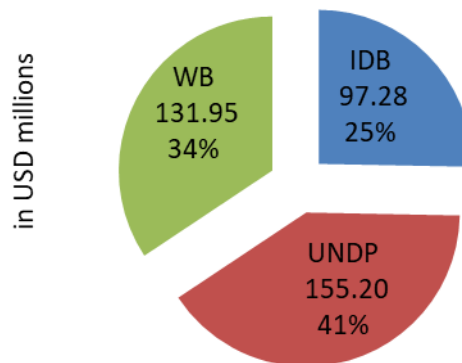
FUNDING DECISIONS BY ACTIVITY

Since inception to September 30, 2020 funding approvals made by the HRF Steering Committee totaled USD 402.76 million. Projects represent about 96%, fees for Partner Entities 3%, and administrative budgets for the Secretariat and the Trustee 1%.



PROJECT FUNDING DECISIONS BY PARTNER ENTITY

Of the total USD 384.43 million of approved projects to date, 41% has been committed UNDP, 34% to the World Bank as Partner Entity, and 25% to the IDB.





5. Funds Available

| Haiti Reconstruction Fund | | | | |
|--|---------------------|--|---------------------|-----------------|
| Table 2: Schedule of Funds Available | | | | |
| Updated as of Sep 30, 2020 | | | | |
| (in USD millions) | | | | |
| | As of Sep 30, 2020 | | As of Jun 30, 2020 | Changes since |
| | (a) | | (b) | last report |
| | | | | (c) = (a) - (b) |
| 1. Cumulative Receipts | 406.29 | | 406.28 | 0.002 |
| a. Cash receipts from Donors | 401.40 | | 401.40 | - |
| b. Investment Income earned on undisbursed balances of HRF Funds | 4.887 a/ | | 4.885 a/ | 0.002 |
| 2. Cumulative Cash Transfer | 402.76 | | 402.76 | - |
| a. Projects | 384.43 | | 384.43 | - |
| b. Partner Entity Fees | 12.67 | | 12.67 | - |
| c. Administrative Budget | 5.66 | | 5.66 | - |
| 3. Refund to Contributors | (0.013) | | (0.013) | - |
| a. Sweden | (0.013) | | (0.013) | - |
| 4. Funds held in Trust (3 = 1 - 2) | <u>3.514</u> | | <u>3.512</u> | 0.002 |

a/ Includes USD 2.38 million investment income received from UNDP and IDB
NB: sub-totals may not add up accurately due to rounding errors

Highlights for the period July 1, 2020 through September 30, 2020:

- **Funds Held in Trust** represents cumulative receipts less cumulative cash transfers, less refund to contributors, and amounted to USD 3.51 million as of September 30, 2020. Funds Held in Trust increased by USD 0.002 million due to investment income earned on undisbursed balance of HRF funds.

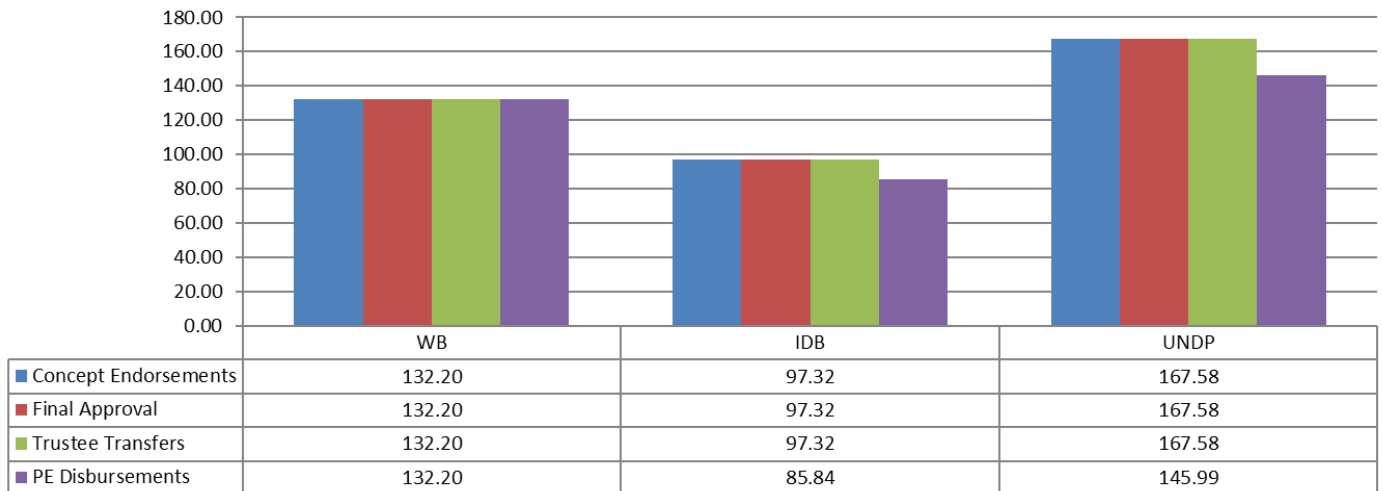


6. Partner Entity Disbursements⁸

PARTNER ENTITY DISBURSEMENT SUMMARY FOR PROJECTS AND ASSOCIATED FEES

As of September 30, 2020, the HRF Steering Committee has endorsed Concept Notes for 31 projects and approved final project proposals for all these projects. The Trustee has transferred funds totaling USD 397.10 million in respect of these approved projects and associated fees to the Partner Entities, upon receipt of cash transfer requests from the Partner Entities. The chart below shows the funding decisions and disbursements by Partner Entity, and Annex II provides details of project-by-project disbursement status. The total disbursements by the Partner Entities are USD 364.03 million. As of September 30, 2020, the UNDP has been allocated USD 167.58 million, of which USD 145.99 million has been disbursed; the World Bank has been allocated USD 132.20 million, of which USD 132.20 million has been disbursed; and the IDB has been allocated USD 97.32 million, of which USD 85.84 million has been disbursed.

(amount in USD millions)



⁸ This amounts in this section are net of refunds from the executing agency provided by the Partner Entities as of September 30, 2020.



Annex I - Cumulative Funding Decisions Details⁹

Updated as of September 30, 2020

In USD millions

| Haiti Reconstruction Fund | | | |
|--|--|-----------------------|---------------|
| Table 3: Cumulative Funding Decisions | | | |
| Activity | <i>Title</i> | <i>Partner Entity</i> | |
| Projects | | | |
| | Haiti Emergency Development Policy Operation - Budget Support | WB | 25.00 |
| | Debris Management Project | UN | 15.68 |
| | Program to Establish a Partial Credit Guarantee Fund | IDB | 12.50 |
| | Disaster Risk Reduction in the South Department | UN | 7.40 |
| | Port-au-Prince Neighborhood Housing Reconstruction Project | WB | 64.87 |
| | Capacity Building for Disaster Risk Management | UN | 1.89 |
| | Haiti Southwest Sustainable Development Program | UN | 7.40 |
| | Environmental Protection of the Macaya National Park a/ | IDB | 9.00 |
| | Sustainable Energy for Haiti a/ | IDB | 2.00 |
| | Institutional Transformation and Modernization of the Energy Sector III (PBG) a/ | IDB | 3.00 |
| | Capacity Building Program to the IHRC | UN | 0.93 |
| | Demolition and Debris Removal with Heavy Equipment | UN | 23.13 |
| | Reconstruction of the Education Sector | IDB | 10.00 |
| | Earthquake Prevention Plan for the North of Haiti | UN | 9.22 |
| | Housing and Neighborhood Reconstruction Support Program | UN | 22.83 |
| | 16 Neighborhoods, 6 Camps | UN | 27.76 |
| | TVET Education Project | IDB | 4.94 |
| | Development of Milk Production and Processing in Haiti | UN | 1.85 |
| | Budget Support Operation - Economic Reconstruction and Growth Development | | |
| | Policy Grant (Cofinancing) | WB | 10.00 |
| | Support to the Implementation of the Education Plan and Reform in Haiti | IDB | 3.49 |
| | School Feeding Program b/ | WB | 14.75 |
| | Budget Support Operation - Water and Sanitation | IDB | 14.00 |
| | Budget Support Operation - Transport | IDB | 7.00 |
| | Budget Support Operation - Education, and Water and Sanitation sectors | WB | 17.33 |
| | Péligre-Port-au-Prince Transmission Line project | IDB | 16.00 |
| | 2015 Haitian Elections | UN | 1.00 |
| | Productive Infrastructure Program III | IDB | 15.35 |
| | Seeds Production | UN | 0.65 |
| | Dairy Production | UN | 1.20 |
| | Vocational School Project | UN | 15.77 |
| | Health Service Management Project | UN | 18.50 |
| | | Sub-total | 384.43 |

⁹ The participating UN organizations represented by UNDP in its capacity as the Administrative Agent ("AA").



Annex I - Cumulative Funding Decisions Details (cont.)¹⁰

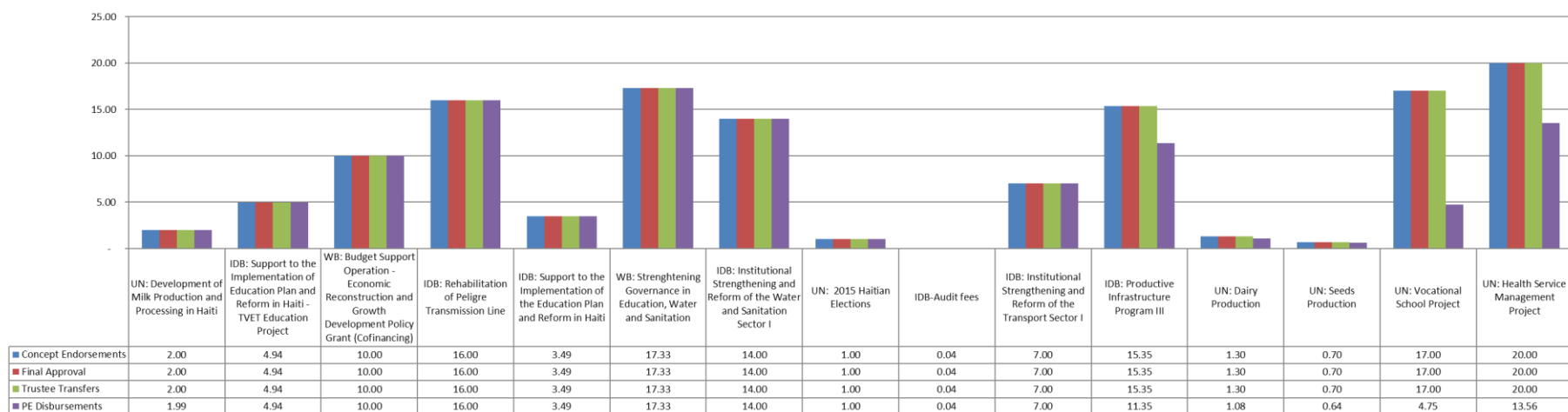
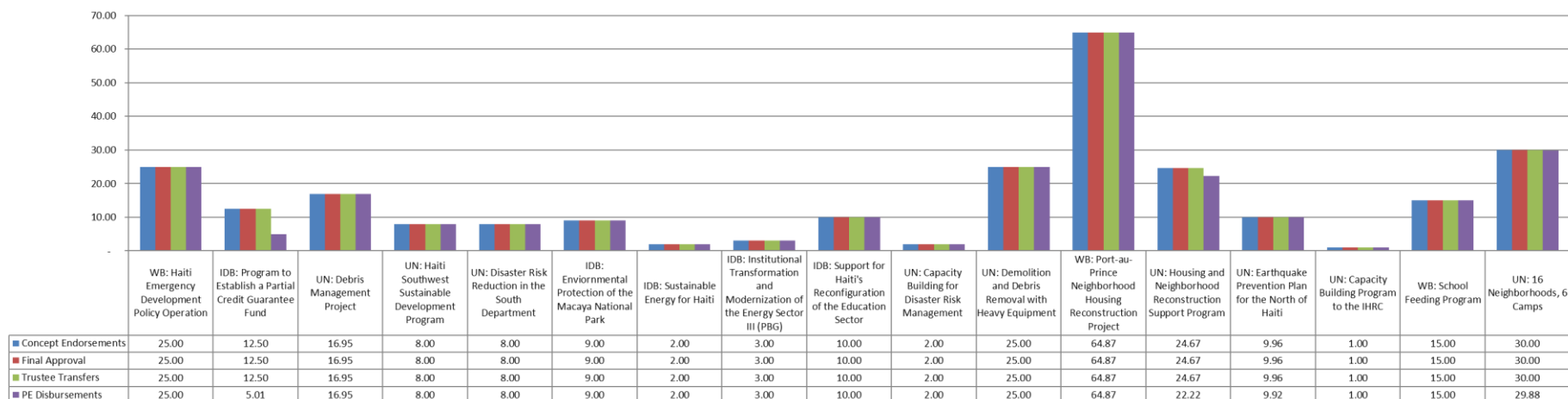
In USD millions

| | | | |
|--|---|------------------|---------------|
| Fees | Debris Management Project | UN | 1.27 |
| | Disaster Risk Reduction in the South Department | UN | 0.60 |
| | Capacity Building for Disaster Risk Management | UN | 0.11 |
| | Haiti Southwest Sustainable Development Program | UN | 0.60 |
| | Capacity Building Program to the IHRC | UN | 0.07 |
| | Demolition and Debris Removal with Heavy Equipment | UN | 1.87 |
| | Earthquake Prevention Plan for the North of Haiti | UN | 0.74 |
| | Housing and Neighborhood Reconstruction Support Program | UN | 1.84 |
| | 16 Neighborhoods, 6 Camps | UN | 2.24 |
| | Development of Milk Production and Processing in Haiti | UN | 0.15 |
| | Audit fee | IDB | 0.02 |
| | Fee-School Feeding Program b/ | WB | 0.25 |
| | Budget Support Operation - Education, and Water and Sanitation sectors -Fee | WB | - |
| | Seeds Production | UN | 0.05 |
| | Dairy Production | UN | 0.10 |
| | Audit Fee for IADB for FY16 | IDB | 0.02 |
| | Vocational School Project - Fees | UN | 1.23 |
| | Health Service Management Project | UN | 1.50 |
| | | Sub-total | 12.67 |
| Administrative Budgets | FY11 Secretariat | | 1.05 |
| | FY11 Trustee | | 0.45 |
| | FY12 Secretariat | | 0.88 |
| | FY12 Trustee | | 0.16 |
| | FY13 Secretariat | | 0.70 |
| | FY13 Trustee | | 0.12 |
| | FY14 Secretariat | | 0.78 |
| | FY14 Trustee | | 0.12 |
| | Evaluation study of the HRF first phase - UNIVERSALIA | | 0.18 |
| | FY15 Secretariat | | 0.35 |
| | FY15 Trustee | | 0.08 |
| | FY16 Trustee | | 0.07 |
| | FY16 Secretariat | | 0.26 |
| | FY17 Trustee | | 0.07 |
| | FY18-21 Secretariat | | 0.18 |
| | FY18-21 Trustee | | 0.20 |
| | | Sub-total | 5.66 |
| | | Total | 402.76 |
| <p>a/ Original project title was Natural Disaster Mitigation in the South Department (USD 14 million).</p> <p>b/ The Steering Committee agreed to shift the targeted budget support operation (USD 14.75 million for projects and 0.25 million for fees) to the School Feeding Program.</p> <p>NB: sub-totals may not add up accurately due to rounding errors</p> | | | |

¹⁰ The participating UN organizations represented by UNDP in its capacity as the Administrative Agent ("AA").

Annex II – Partner Entity Net Disbursement Details ^{11 12}

In USD millions



¹¹ This section is based on the information provided by the Partner Entities as of September 30, 2020. The amounts are net of refunds from the executing agency provided by the Partner Entities as of September 30, 2020.

¹² The participating UN organizations represented by UNDP in its capacity as the Administrative Agent ("AA").